Bad debts Declared/Written off by RBI

707. SHRI SOLIPETA RAMACHANDRA REDDY:
SHRI YERA NARYANASWAMY:
SHRI SANJAY DALMIA:
DR. Y. LAKSHMI PRASAD:
DR. MOHAN BABU:
DR. D. VEN KATEWAR RAO:

Will the Minister of FINANCE be pleased to state:

(a) the amount of bad debt declared and written off by the RBI during 1994-95 and 1996-97 upto 31 st March, 1997;

(b) the details of the persons/parties/companies etc. whose borrowings have been declared as bad debt; and

(c) the steps taken or proposed to be taken by Government to end the declaration of the system of bad debt by RBI and other banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) Reserve Bank of India (RBI) have reported that they have not declared or written off any bad bebt during 1994-95 to 1996-97 (3 financial years). However, bad debts written off by the public sector banks during the last 3 years i.e. 1994-95 1995-96 & 1996-97 are given in the statement (*see* below)

(b) As per law as well as the pratices and usages customary amongst banks, the details of person/parties/companies etc. whose borrwings had been declared as bad debts cannot be disclosed.

(c) RBI grants loans and advances to banks, financial institutions, Central and State Governments in its capacity as banker to these bodies. RBI has not declared or written off as bad any loans to these bodies.

In so far as banks are concerned, RBI have advised them to have documents of loan policy and loan recovery policy prepared and duly vetted by their Boards of Directors. This loan recovery Policy prescribes the manner of recovery of dues, targetted level of reduction, norms for permitted waiver/sacrifice, factors to be taken into account before considering waivers and monitoring of write-off/waiver cases etc.

Statement

Bad debts written off by the Public Sector banks during the last three years

(Amount in crores)

Name of the bank	1994-95	1995-96	1996-97
State Bank Group			
State Bank of India	363.72	398.69	293.67
State Bank of Bikaner & Jaipur	39.25	24.98	26.45
State Bank of Hyderabad	27.89	15.85	136.69
State Bank of Indore	32.93	6.04	26.02
State Bank of Mysore	50.61	5.72	12.09
State Bank of Patlala	19.74	4.93	19.62
State Bank of Saurashtra	18.95	4.02	2.38
State Bank of Travancore	4.17	28.96	36.29
Nationalised Banks			
Allahabad Bank	55.73	6.71	21.39
Andhra Bank	38.78	1.95	37.42
Bank of Baroda	270.27	46.42	70.17
Bank of India	260.38	307.08	217.15
Bank of Maharashtra	81.12	56.52	47.30

Name of the bank	1994-95	1995-96	1996-97
Canara Bank	200.00	169.49	18.20
Central Bank of India	144.12	138.44	156.83
Corporation Bank	18.64	19.13	0.94
Dena Bank	27.34	51.92	58.76
Indian Bank	42.51	115.94	10.28
Indian Overseas Bank	5.94	75.01	375.73
Oriental Bank of Commerce	2.13	0.82	46.22
Punjab National Bank	220.77	53.14	150.34
Punjab & Sind Bank	1.70	2.86	9.93
Syndicate Bank	24.84	8.03	58.79
Union Bank of India	27.86	38.81	30.57
UCO Bank	165.07	110.98	220.57
United Bank of India	119.00	36.51	65.48
Vijaya Bank	4.19	13.26	12.72
TOTAL	2267.65	1742.21	2162.00

Regulation of Plantation Companies

708. SHRI GURUDAS DASGUPTA:
SHRI J. CHITHARANJAN:

Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the fact that a number of plantation companies have been set up in the south and west of the country collecting huge deposits from the public offering high returns; and

(b) if so, whether Government have any proposal to take some measures for regulating the functioning of such companies so that the innocent depositors are not cheated when the time comes for the payment of their returns?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) The matter relating to regulation of plantation schemes has been receiving Governments's attention. In order to ensure that investors investing in these schemes make their decision with full knowledge of the risks associated with these schemes, Government have decided to treat the various schemes offered by plantation companies as "Collective Investment Schemes" under the provisions of the section 11(2) (c) of the SEBI Act, 1992 thereby bringing these under the regulatory jurisdiction of SEBI.

Poor recovery of NPAs of Banks and Financial Institutions

709. SHRI JIBON ROY:
SHRI DIPANKAR MUKHERJEE:

Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the news item captioned "Bank found lagging on NPAs recovery front" appeared in Indian Express dated 26th October, 1997; if so, Government's reaction thereto;

(b) whether 80 per cent of the corporates have defaulted in loan repayment if not, the factual position thereof;

(c) whether these defaulters have been getting more funds from banks and financial institutions despite circulating their names to the heads of banks and financial institutions; and

(d) if so, the action taken to curb this activity, if not the actual position vis-a-vis